

**Top Secret**

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NATIONAL INTELLIGENCE DAILY CABLE

Friday 4 November 1977

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**NATIONAL SECURITY INFORMATION**  
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National Intelligence Daily Cable for Friday, 4 November 1977.

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The NID Cable is for the purpose of informing senior US officials.

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#### RHODESIA: White Attitudes

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*[redacted] //Most Rhodesian whites apparently remain hopeful that a settlement can be arranged that will protect their interests. They support Prime Minister Smith's stand against disbanding the Rhodesian security forces, however, because they fear retribution against whites by the black nationalists. White emigration from Rhodesia remains high, and many*

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*are making contingency plans to leave quickly if the security situation deteriorates. Some businessmen have ceased planning for the future.//*

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[redacted] there is an underlying hope among many whites that the rest of the world will see the righteousness of their cause and that a new government will come to power in the UK and take a more "understanding" approach toward Rhodesia. Many Rhodesian whites have been encouraged by the recent hard-line position taken by South Africa against pressure from the West. Whites generally appear to believe that the security forces can continue to contain the guerrillas indefinitely.//

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[redacted] //More than 1,000 whites are emigrating each month. Recently, increasing numbers of doctors, dentists, teachers, and older people who had substantial stakes in Rhodesia have been leaving. Some whites are putting their assets into gold, diamonds, and other small valuables that can be taken out of the country if necessary.//

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[redacted] //Some Rhodesian businessmen are becoming more pessimistic about prospects for a settlement because they believe Smith has toughened his negotiating position as a result of his party's landslide victory in the election in August. They fear Smith is now content to play for time despite his campaign statements about majority rule before the end of the year. The businessmen also worry that South African Prime Minister Vorster would sacrifice Rhodesia's interests to stave off economic sanctions against his country.//

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[redacted] //Only very large businesses are doing any long-range planning, and many farmers have stopped investing in capital equipment. Small businessmen have ceased to stockpile goods. One large department store in Salisbury recently went out of business. [redacted]

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SOUTH KOREA: Political Prisoners

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[ ] The South Korean Government has renewed behind-the-scenes efforts to reach a compromise with the opposition that could result in release of political prisoners still held under President Pak's emergency decrees. The government apparently hopes that its initiatives will improve relations with the US. A successful resolution of the prisoner problem is by no means assured, however; it will require concessions by both the government and its most militant critics.

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[ ] The major obstacle to the release of imprisoned dissidents has been the government's insistence that they sign statements of repentance. During the summer, more than 30 detainees signed such statements and were freed, but several of Pak's best known adversaries--including Kim Tae-chung, his opponent in the 1971 presidential election--refused to sign.

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[ ] Kim opted to remain in prison to dramatize his continuing opposition to Pak's rule. Pak, too, dug in his heels/

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[ ] To break the impasse, the Director of the Korean Central Intelligence Agency late last month met with several prominent Christian activists and a leading intellectual, all critics of Pak in recent years, in an attempt to fashion a compromise statement that Kim Tae-chung and others would sign. Some of the opposition leaders apparently are cooperating because they believe that Kim's health may deteriorate in prison and that he would be more effective in the opposition movement if released.

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[ ] The effort to reach a compromise may yet be derailed by a lack of flexibility on either side. It is noteworthy, nonetheless, that Pak has authorized his intelligence agency chief to use critics of the regime as go-betweens and that he is focusing on the release of Kim Tae-chung. Earlier in the summer, it had appeared that Kim would be the last to be freed of the 150 to 200 political prisoners still in Korean jails.

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SOUTH AFRICA: Whites To Keep Power

25X1 [ ] South African Prime Minister Vorster has conceded that his new proposals to restructure the government would leave most functions in white hands. In a meeting with leaders of the Asian community last week, Vorster reluctantly admitted under intensive questioning that the proposed system of separate parliaments for whites, Asians, and coloreds (mixed bloods) would do little more than upgrade two ineffectual groups that already exist--the Colored Representation Council and the South African Indian Council.

25X1 [ ] Speaking to a meeting of the South African Indian Congress on 24 October, Vorster said white control is to be maintained over the civil service and all government ministries except those dealing directly with colored or Asian affairs, as well as over the drafting of most legislation. The white Finance Ministry will control all finances and taxing powers and oversee the distribution of funds.

25X1 [ ] Vorster ended the meeting by stating that the government will make no further concessions, a departure from his previous position that he would be willing to negotiate some aspects of the government package. He said the Asians and coloreds could take it or leave it.

25X1 [ ] The Prime Minister, realizing that his statements took the lustre off the constitutional proposals as they were originally presented in August, tried to placate the Asian leaders by pointing out how they personally would benefit by enjoying salaries, prestige, and perquisites of office equal to those of whites. He elaborated on the role they would have in a future Cabinet Council and their theoretical capability to provide an elected state president.

25X1 [ ] In August, Vorster had implied that about a third of all ministries would be headed by Asians and coloreds and that the civil service would be open to all three groups on a merit basis. His admission that Asians and coloreds will be effectively excluded from a meaningful role in the executive branch of the government, coupled with the previously announced built-up white majorities in the legislature, are bound to reduce the support he will receive from the Asians to implement the plan.



25X1 [ ] Leaders of the colored community have already rejected the government proposals for a new constitutional structure on the grounds that the plan entrenches apartheid, gives the president dictatorial powers, and seeks to create an alliance between whites, coloreds, and Asians against the country's black majority. [ ]

#### SOMALIA: Siad Seeks Western Aid

25X1 [ ] *President Siad has stepped up his campaign to gain Western support for Somalia. He is emphasizing the dangers of the Soviet and Cuban presence in Ethiopia and accusing Ethiopia of expansionist ambitions. Siad, besides attempting to gain military aid, hopes international pressure will blunt Soviet and Cuban support for an Ethiopian counteroffensive in the Ogaden and lead to negotiations while Somalia has the military advantage.*

25X1 [ ] Siad's concern about Ethiopian intentions was the main theme of a press conference with Western newsmen in Mogadiscio on Tuesday. He said Ethiopia, armed excessively by the USSR and supported by thousands of Cuban troops, was preparing to attack Somalia and posed a threat to other neighboring countries, especially Sudan.

25X1 [ ] In an implicit appeal for US arms, Siad said he wanted to call the attention of the US to its "international responsibilities," and urged the US to analyze Ethiopian designs and act accordingly.

25X1 [ ] Despite his critical remarks about the Soviets, Siad held out the possibility of improving relations with the USSR. He said both Somalia and the USSR have an interest in cooperation.

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[ ] Siad has obviously decided to broaden his appeal for Western support against the Ethiopian counteroffensive he expects. He would like direct military aid but apparently also hopes that international pressure on the USSR and Ethiopia will lead to negotiations before Ethiopia can marshal its forces for a counterattack.

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[ ] In the meantime, Siad will continue efforts to take Harar. Siad realizes that at this point--before an Ethiopian counteroffensive--he would be bargaining from a position of strength, since his forces now control most of the Ogaden. It is doubtful that he intends to make any real concessions to the Ethiopians. [ ]

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#### INDIA: Foodgrain Surpluses

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[ ] *Two above-average crop years and a high level of imports have pushed India's grain stocks to a record 20 million tons. Government attempts to reduce the stocks, which are too large to be properly stored, have so far been unsuccessful.*

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[ ] About two-fifths of current stocks are inadequately stored and losses from spoilage and rodents of as much as 2 million to 3 million tons are likely. The cost of maintaining the stockpile this year will amount to \$500 million, 3 percent of total budget expenditures.

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[ ] The government has tried, with little success, to draw down stocks by increasing sales through the government distribution system. New Delhi has so far been reluctant to reduce prices charged at these outlets, and private grain distributors use the government price as a floor price for their sales. As a result, prices have remained too high for the consumers to increase significantly their level of purchases.

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[ ] India is also unlikely to be successful at using wheat exports to reduce the surplus. The USSR has agreed to accept 1.5 million tons over the next year or two as payment for a wheat loan granted in 1973. The government will have difficulty finding additional buyers, however, because of inadequate transport and port facilities and the generally low quality of Indian wheat.

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[ ] Grain stocks will increase over the next two months as the major fall harvest comes in. New Delhi is now considering both a cut in government sales prices and inauguration of "work for food" programs.

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[ ] Grain reserves of about 20 million tons would be enough to offset a 15-percent crop shortfall. The probability of a sharp drop in output in the fall of next year is high. Weather remains the dominant variable in Indian foodgrain production. There have been two excellent and one average rainy seasons in the past three years; an extended run of good fortune is unlikely. [ ]

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#### ROMANIA: Party Personnel Shuffle

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[ ] *Wide-ranging criticism of the party cadre and indoctrination work at the Romanian Party Central Committee plenum last week could lead to a reshuffle in the party apparatus. Similar changes may be in the making in the Interior and Justice Ministries. The national party conference scheduled for early December will discuss "improvements" in the leadership of these ministries. Any changes in the security apparatus would probably spark popular fears of increased restrictions.*

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[ ] President Ceausescu has recently become openly critical of the party's internal operations. His unhappiness may have been increased by the way local party organizations have handled instances of worker dissatisfaction.

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[ ] The disclosure at the plenum of serious shortcomings in cadre work--which includes the key area of personnel appointments--is most likely to affect lower level functionaries in the central and provincial party organizations. It could also have implications for the President's wife, who heads the party's cadre commission, as well as for party secretaries Ilie Verdet, and Emil Bobu, both of whom are also responsible for cadre policies. Earlier this year, Bobu's responsibilities for military and security affairs were transferred to another party secretary.

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[ ] The plenum's criticism of shortcomings in political indoctrination may reflect adversely on party secretary Cornel Burtica, who has been in charge of ideological propaganda and educational activity for about a year. We have had no earlier

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indication of a direct confrontation between Ceausescu and Burtica over the latter's performance. Ceausescu has, however, often expressed a general dissatisfaction with ideological work.

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[ ] The announcement of a planned shakeup in the Interior Ministry would inevitably lead to speculation and nervousness among the Romanian public. Changes in the security apparatus could portend a tightening of internal restrictions, which are already among the most stringent in Eastern Europe. [ ]

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CUBA: Increasing Crime Rate

25X1 [ ] //The Cuban Government reportedly is becoming concerned about the country's rising crime rate. Most of the offenses involve theft or vandalism, and the government may believe that the incidents reflect popular dissatisfaction over Cuba's continuing economic difficulties.//

25X1 [ ] President Castro made the first official acknowledgment of increasing crime in a speech in late September, but the problem has been growing for months. In June, an authoritative radio commentator in Havana called for harsher treatment of juvenile offenders.

25X1 [ ] Castro addressed the issue in a speech commemorating the 17th anniversary of the Committees for the Defense of the Revolution, a vast network of neighborhood groups established to ferret out counter-revolutionaries. Castro asserted that the external and internal threat of counter-revolution had faded, thereby allowing the groups to turn increasingly to the task of combating crime.

25X1 [ ] The government clearly intends to follow up on Castro's warnings. Three days after the speech, a large group of Interior Ministry personnel from provinces outside Havana was assigned to police units in the capital.

25X1 [ ] Crime levels in Cuba probably are not as high as in most other Latin American nations. The Cuban leadership, however, is most likely concerned that the nature of most incidents--theft and vandalism--reflect growing dissatisfaction among the population over continued government austerity measures. Castro has recently attempted to play down the cost of Cuban aid to foreign countries, an indication that a significant number of people have associated Havana's growing international activities with Cuba's economic downturn.

25X1 [ ] There is little chance that a serious threat to the Castro regime will develop. Castro's personal charisma and his control of the Cuban media have in the past enabled him to generate renewed revolutionary enthusiasm. [ ]

JAPAN: Fiber Optical Communications

[REDACTED]  
[REDACTED] Japan  
*is already considered to be on a par with the US technologically  
and probably has the lead in systems experience.* [REDACTED]

[REDACTED]  
*The world market is currently a few million dollars annually  
but could grow to a billion dollars annually in 10 years.//*

[REDACTED] In a fiber-optical communications system, light can  
be used to transmit voice, video, and other data. Optical fiber  
cable has significant advantages over copper cable in terms of  
weight, size, carrying capacity, and immunity to electromagnetic  
interference.

[REDACTED] International interest in fiber-optical communications  
has increased dramatically in the last few years because research  
and development has progressed more rapidly than had been ex-  
pected. If, as its advocates assert, fiber-optical communica-  
tions can be made cost competitive with alternative technologies,  
it will lead to widespread applications in telephone networks,  
instrumentation, computer interconnections, undersea cables,  
electric power control networks, and aircraft. [REDACTED]

INDONESIA-UN: Prospects for Timor

[REDACTED] *The UN General Assembly will soon adopt an  
anti-Indonesia resolution on the question of East Timor. Indo-  
nesia maintains that East Timor is an integral part of Indo-  
nesia and hence does not warrant UN consideration. While lobby-  
ing for support, Indonesia realizes that this politically em-  
barrassing issue will be debated in the UN annually for the  
next several years.* [REDACTED]

[REDACTED] The resolution was drafted by a representative of  
the Revolutionary Front for an Independent East Timor (Fretilin)

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and supported largely by radical Third World and communist nations. While it does not condemn Indonesia, it rejects the Indonesian claim to East Timor; reaffirms the rights of the East Timorese to self-determination and independence; requests that the UN monitor the situation; and calls for the inclusion of the question in the agenda of the 33rd General Assembly session.

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[ ] The Indonesians have used a defensive strategy, refuting Fretilin claims of popular support and allegations of Indonesian atrocities and actively seeking support from those countries that might reciprocate for Indonesian support on other issues. Indonesia has not, however, been able to garner sufficient votes to prevent the resolution from being adopted.

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[ ] Indonesia finds the issue highly embarrassing, but so long as neither the debate nor the vote threaten relations with countries supporting or abstaining on the resolution for ideological reasons--China, the USSR, and Vietnam--Indonesia will continue its low-key approach.

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[ ] At the same time, Indonesia is increasing its efforts to destroy the insurgents in East Timor by offering a general amnesty to those surrendering by the end of this year.

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[ ] the resistance movement and the UN debate are likely to continue to be liabilities for the Suharto government. [ ]

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#### BURMA: Heavy Casualties

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[ ] During a series of sharp skirmishes last month, the Communists seized four positions in northern Shan State. They failed, however, to capture a nearby objective, the town of Hopang.

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[redacted] //The Burmese Government, perhaps to detract public attention from Army casualties, announced that more than 500 Communists were killed in 25 major battles in the northeast last month. The government publicly admits to 126 army dead,

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[redacted] Rangoon's problems with the Burmese Communists continue despite Burmese President Ne Win's goodwill visit to Peking in September. Despite Chinese aid, the insurgents appear in large measure to decide their own tactics.

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#### CAMBODIA-THAILAND: Fighting

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[redacted] *Cambodian attacks on Thai villages along the border have intensified over the past several days, and heavy fighting is continuing. The attacks have dashed Thai hopes that border tension would ease*

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[redacted] Cambodian troops have initiated a number of serious incidents at various points along the 500-mile border over the past year, including an attack in mid-October on Thai forces near the southernmost point of the border.

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[redacted] Incidents on 28 and 29 October involved clashes at three locations in the Aranyaprathet and Ta Phraya districts of Prachinburi Province. A village in Chanthaburi Province also came under attack.

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25X1 [ ] The largest incursion was launched against ten villages near Aranyaprathet on Wednesday. Large numbers of Thai reportedly fled or were evacuated from the combat areas. Heavy fighting is continuing; casualty figures are not yet available.

25X1 [ ] Cambodian aggressiveness is probably linked to territorial claims and to anger over Thai support for Cambodian resistance forces.

25X1 [ ] Thus far, however, the Cambodians have been unwilling even to reveal their basic demands. The recent attacks could be a Cambodian effort to strengthen their position before engaging in negotiations, but there are as yet no indications that the Cambodians are ready to ease their aggressive border policies.

25X1 CHINA - WEST GERMANY: Trade

25X1 [ ] *The Chinese have used the recent visits to Peking of several West German politicians and defense-related individuals to emphasize their desire for increased trade and technological exchange with Western Europe, particularly West Germany. During the visits, the Chinese have also played up their support for unified West European opposition to the USSR.*

25X1 [ ] The businessmen and scientists accompanying West German Foreign Minister Genscher gave his visit last month a strong economic slant. The Chinese probably were interested in promoting greater trade, but no major deals were concluded, nor were the Chinese willing to abandon their conservative policy on foreign loans, which restricts the potential for trade expansion.

25X1 [ ] Fang I, the de facto head of the Chinese Academy of Sciences, was one of the top officials who met with Genscher, which underlines China's interest in widening scientific contacts. [ ]

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25X1 [ ] Shortly before Genscher's visit, the Chinese played host to Manfred Woerner, the Chairman of the Bundestag's defense committee, and welcomed a retired Luftwaffe inspector general. [ ]

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25X1 [ ] Both Genscher and Woerner were treated to standard Chinese criticism of detente and the USSR. To both men, the Chinese advocated their "united front" of Western Europe, Japan, China, and the US. In his talks with Woerner, Teng repeated the now-standard Chinese advice that Western Europe increase its unity and become more self-reliant militarily.

25X1 [ ] Teng also stressed the importance of preserving Western Europe's security ties with the US. Emphasizing that the US - West European alliance must be one of equals, however, Teng advised that Western Europe not allow itself to be used as a "card" in the contest with Moscow, thus applying the same image that Peking had earlier used in references to its own relationship with the US. The Chinese also criticized the portions of PRM-10 dealing with West Germany.

25X1 [ ] This somewhat inconsistent approach probably reflects Peking's concern and calculation about trends in US-Soviet relations and US attitudes toward Western Europe. Teng may fear

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that further movement toward US-Soviet accommodation--for example, on SALT--could cause the US to devalue the immediate usefulness of closer relations with China. The Chinese also hope that the US will not appear to diminish its support for the security of Western Europe.

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[ ] The Chinese did not succeed in deterring their West German guests from again endorsing a detente policy. Both Genscher and Woerner made clear Bonn's intention to maintain a policy of detente and Ostpolitik. Criticism of the West German visits to China in the Soviet press, however, indicate that the military-technological aspects of Peking's relations with Bonn have struck a tender nerve in Moscow. [ ]

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#### BRIEFS

##### Lebanon

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[ ] //Lebanon's General Khuri told the US Ambassador yesterday that "some problems" remain in negotiations with the Palestinians over withdrawal from southern Lebanon. President Sarkis and Foreign Minister Butrus are planning a trip to Damascus tomorrow, presumably to discuss the situation and urge President Asad to apply additional pressure to the Palestinians.

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##### USSR - West Europe

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[ ] The principal West European Communist parties made no effort to narrow the gap between themselves and the Soviets in their presentations at the Bolshevik revolution anniversary festivities in Moscow.

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[ ] Italian party leader Berlinguer, in a short speech that met little applause, said his party wanted to create a "new socialist society" that guaranteed a "nonideological state" characterized by political pluralism and individual and collective liberties. French delegation chief Laurent--filling in for party chief Marchais, whose absence was designed to impress the French electorate with the party's independence of Moscow--followed the party's now standard line of "Communism under French colors."

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[ ] The most dramatic development was the Soviet refusal to permit Spanish leader Carrillo to speak. Carrillo submitted his speech for translation and may have deliberately provoked the Soviets in order to underscore his party's independence as important Spanish municipal elections approach. The Spanish Communists' domestic popularity received a boost last summer when Moscow attacked Carrillo for his outspoken book *Eurocommunism and State*. Carrillo told reporters in Moscow yesterday that he had intended to present his party's positions "whether they like them here or not." [ ]

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UN

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[ ] //The UN General Assembly last night endorsed a resolution condemning the hijacking of airliners and calling upon all countries to ratify three conventions on aerial piracy. The resolution, which on Tuesday was adopted by acclamation in the Special Political Committee, calls for nations to improve security arrangements at airports and act toward eliminating the threat of extortion by air pirates. A spokesman for the International Federation of Airline Pilots Assations said that the federation's threatened 48-hour walk out would now be "held in abeyance."//

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[ ] //While several amendments sponsored by Third World nations altered the tone of the measure proposed by several Western nations, the passage of the resolution underscores the growing trend toward cooperation against terrorism. Fundamental obstacles, however, remain. Thus, despite West German attempts to bring the issue to a formal vote, action on a draft convention on the taking of hostages, scheduled to be debated in three weeks, will probably be postponed.//

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[ ] //The tenure of the ad hoc committee dealing with the hostage question is likely to be extended for another year.

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Portugal

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[ ] Prime Minister Soares' minority Socialist government yesterday presented its 1978 budget, projecting increases of 43 percent in tax collections and 30 percent in spending. With tax receipts at \$3.3 billion and expenditures at \$5.6 billion, the deficit would be up 14 percent in nominal terms from this

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year. After allowance is made for Portugal's rapid inflation, however, the budget calls for little change in spending from 1977 and a reduced deficit. Hence the budget is characterized as austere. Portuguese deficit spending, however, typically exceeds budgeted levels. The proposed budget faces a fight in Portugal's National Assembly. [REDACTED]

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France

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[REDACTED] The government has set 12 and 19 March as the dates for next year's legislative election. According to the constitution, the two rounds of the election must be held by the end of March 1978. The dates were probably selected in order to increase the possibility of good weather--which encourages a larger turnout by supporters of the government--and to avoid the Easter vacation at the end of March. [REDACTED]

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